



May 9, 2019

**Notice of Revision of the Shareholder Returns Policy and
Repurchase of Shares of Common Stock**

(Repurchase of Shares Under the Provision of Articles of Incorporation Pursuant to Article 165, Paragraph
2 of the Companies Act of Japan)

NIKON CORPORATION (hereinafter “the Company”) has resolved at the meeting of its Board of Directors held on May 9, 2019, the repurchase of its own shares pursuant to Article 156 of the Companies Act of Japan as applied pursuant to Article 165, Paragraph 3, in addition to the revision of the shareholder returns policy from the fiscal year ending March 31, 2020.

1. Regarding the Repurchase of Own Shares

(1) Reason for the repurchase of own shares

The Company decided to repurchase its own shares to enhance shareholder returns, while improving capital efficiency and ensuring a flexible capital policy.

(2) Details of the repurchase

- 1.) Class of shares to be repurchased : Common stock
- 2.) Total number of shares to be repurchased : Up to 8.0 million shares
(Equivalent to 2.0% of outstanding shares (excluding treasury stock))
- 3.) Total repurchase amount : 10 billion yen
- 4.) Repurchase Period : From May 10, 2019 to June 30, 2019

(Reference)

Number of outstanding shares (Excluding treasury stock) : 396,258,592 shares

Number of treasury stock(Note) : 4,620,329 shares

(Note) Possession of treasury stock as of April 30, 2019

2. Regarding Revision of the Shareholder Returns Policy

(1) Overview and Reason for Revision of the Shareholder Returns Policy

The Company has reviewed its fundamental policy on shareholder’s returns, placing profit distribution to shareholders as its top management priority. As a result, seeking for an appropriate capital allocation over a mid to long-term basis and to enhance flexibility in returns to shareholders, the Company will change its quantitative

target, which was previously “Dividend payout ratio of 40% or more,” to “Return to shareholders targeting a total return ratio of 40% or more during the cumulative period of the new medium-term management plan for the year ending March 31, 2020 to the year ending March 31, 2022.” In accordance with this policy, the Company has resolved at the meeting of its Board of Directors held on May 9, 2019, the repurchase of its own shares for the profit distribution to shareholders for the year ending March 31, 2020.

The Company will continue to aim to distribute a steady dividend that reflects the perspective of shareholders, and maintain its target of a full year dividend of 60 yen per share or more during the new medium-term management plan period.

(2) Details of Revised Shareholder Returns Policy (Changes have been underlined)

Policy before the Revision

The Company's policy on shareholder returns is basically to pay a stable dividend from the perspective of shareholder's value targeting **dividend payout ratio of 40% or more.** On top of the policy, the Company will review profit distribution on total shareholder return basis to improve the reflection of business performance.

Policy after the Revision

The Company's fundamental policy on shareholder returns is to distribute a steady dividend that reflects the perspective of shareholders, while simultaneously realizing appropriate capital allocation flexibly from a mid to long-term perspective. Based on this policy, **during the cumulative period of the new medium-term management plan for the year ending March 31, 2020 to the year ending March 31, 2022, the Company will return to shareholders targeting a total return ratio of 40% or more.**